Associated Press

The State Department said yesterday that an outbreak of disease in a Soviet city last year "may have resulted from the exposure of large numbers of people to some sort of lethal biological agent."

It was the first time that the department has commented on reports in the Western European press that hundreds of Soviet citizens died near Sverdlovsk, in the Ural Mountains, in April 1979.

Department officials denied that the timing of the statement was in-tended to persuade other nations not to participate in the Summer Olympics in Moscow.

Department spokesman David Pas-rage said the evidence was being dis-tussed with the Soviets in Geneva, where a review conference on the 5-year-old treaty banning biological warfare agents is under way.

Passage declined to go into detail about the evidence the department has. He would not identify the biological agent supposedly involved or say whether the department was certain that deaths occurred.

Other officials, speaking privately, pointed out that Sverdlovsk is a city closed to Americans. They said the United States has no firsthand, clinical evidence. "But there is enough smoke to make us curious about whether there is a fire," one official said.

The Soviets have consistently denied the reports of accidents involving biological weapons.

One report was published on Feb. 13 in Bildzeitung of Hamburg. It said that more than 1,000 people had died after an explosion spewed deadly bacteria into the air. The West German newspaper said that another incident also occurred in 1979 near Novosi birsk.